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SPECIAL CONDITIONS OF CONTRACT

RT275-2024

**SUPPLY AND DELIVERY OF SPEECH THERAPY, ASSISTIVE DEVICES,
AND ACCESSORIES TO THE STATE FOR THE PERIOD OF
36 MONTHS**

**NON-COMPULSORY BRIEFING SESSION TO BE HELD ON
18 JANUARY 2024 ON MICROSOFT TEAMS**

CLOSING DATE AND TIME OF BID

16 FEBRUARY 2024 AT 11H00

BID VALIDITY PERIOD: 180 DAYS

National Treasury

Transversal Contracting



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LIST OF ABBREVIATIONS

Abb	Full Name
AAC	Augmentative and Alternative Communication Devices
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
CPA	Contract Price Adjustment
CSD	Central Supplier Database
CPA	Contract Price Adjustment
OCPO	Office of the Chief Procurement Officer
GCC	General Conditions of Contract
SBD	Standard Bidding Document
SARS	South African Revenue Services
SCC	Special Conditions of Contract
SCM	Supply Chain Management
SLT	Speech & Language Therapists
TC	Transversal Contract
TCD	Transversal Contract Document
TIC	Tender Information Centre
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Frame Act
RoE	Rate of Exchange
VAT	Value-Added Tax

LIST OF ATTACHMENTS AND ANNEXURES

- i. Standard Bidding Documents (SBD's)
- ii. Transversal Contracting Documents (TCD's)
- iii. General Conditions of Contract (GCC)
- iv. Annexure A -Technical Specification
- v. Annexure B - Pricing Schedule

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#	Document Name ¹	Included in the published bid document?	To be returned by the bidder?	Bidder to tick Yes if the document is submitted
PHASE 1: ADMINISTRATIVE REQUIREMENTS EVALUATION				
1.	SBD 1 Invitation to Bid	Yes	Yes	
2.	Proof of authority must be submitted as per SBD 1	No	Yes	
3.	SBD 4 Bidder's Disclosure	Yes	Yes	
4.	SBD 5 National Industrial Participation Program	Yes	Yes	
5.	SBD 6.1 Preference Points Claim Form	Yes	Yes	
6.	Central Supplier Database Report	No	Yes	
7.	Written confirmation for disclosing tax status / SARS Pin	No	Yes	
PHASE 2: MANDATORY REQUIREMENTS EVALUATION				
8.	Pricing Schedule (Annexure B)	Yes	Yes	
PHASE 3: TECHNICAL COMPLIANCE EVALUATION				
9.	Detailed Technical Specifications (Annexure A)	Yes	Yes	
10.	Type Approval Certificate issued by ICASA (Where applicable)	No	Yes	
11.	Certificate issued by SITA for relevant ICT items	No	Yes	
12.	Quality Assurance Certificate ISO 9001	No	Yes	
13.	TCD 13 Authorization Declaration	Yes	Yes	
14.	TCD 13.1 List of goods or services offered	Yes	Yes	
15.	TCD 13.2 Letter of Undertaking	Yes	Yes	

¹ Table 1 is provided as guidance to assist bidders with documents that must be returned with the bid. The list is not exhaustive, and it is the responsibility of the bidder to provide all required documents as per the provision of each clause in this bid



#	Document Name ¹	Included in the published bid document?	To be returned by the bidder?	Bidder to tick Yes if the document is submitted
PHASE 4: PRICE & SPECIFIC GOALS EVALUATION				
16.	Pricing Schedule (Annexure B)	Yes	Yes	
17.	SBD 6.2: Local Content Declaration	Yes	No	
18.	CIPC Company Registration Documents	No	Yes	
19.	TCD 14 Historical Exchange Rates	Yes	No	
OTHER BID DOCUMENT REQUIREMENTS				
20.	Company Profile	No	Yes	
21.	Special Conditions of Contract	Yes	Yes	
22.	General Condition of Contract	Yes	Yes	



SECTION A: INTRODUCTION AND TERMS OF REFERENCE

1. DESCRIPTION AND FORMAT OF THE BID

- 1.1 This bid is for the supply and delivery of speech therapy, assistive devices, and accessories to the State for a period of 36 months.
- 1.2 This bid document is structured as follows:
 - 1.2.1 Section A: Introduction and Terms of Reference
 - 1.2.2 Section B: Conditions of Bid
 - 1.2.2.1 Part 1: Evaluation Criteria
 - 1.2.2.2 Part 2: Additional Bid Requirements
 - 1.2.2.3 Part 3: Recommendation and Appointment of Bidders
 - 1.2.3 Section C: Conditions of Contract

2. LEGISLATIVE AND REGULATORY FRAMEWORK

- 2.1 This bid and all contracts emanating therefrom will be subject to General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as the Preferential Procurement Policy Framework Act 2000 (PPPFA) with its latest 2022 regulations.
- 2.2 The Special Conditions of Contract (SCC) are supplementary to that of the General Conditions of Contract (GCC). However, where the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.
- 2.3 This bid is subject to all applicable industry-related legislation, particularly the legislation stated below:
 - 2.3.1 Occupational Health and Safety Act No.85 of 1993.
 - 2.3.2 National Health Act No: 61 of 2003
 - 2.3.3 Electronic Communications Act, No. 35 of 2005.

3. OBJECTIVE OF THE BID

- 3.1 To arrange the RT275-2024 transversal contract for the supply and delivery of speech therapy, assistive devices and accessories to the State for a period of 36 months.
- 3.2 For the promotion of historically disadvantaged individuals and locally produced product as per the specific goals (maximum 10 points) allocated in terms of Preferential Procurement Regulations 2022 issued according to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).



3.4 To apply the 90/10 preference, point system as per Preferential Procurement Regulations (PPR) 2022.

4. BRIEFING SESSION

4.1 A non-compulsory virtual briefing session will be held as follows:

Venue: Microsoft Teams. The link to register and attend the briefing session is attached as: [Click here to join the meeting](#)

Date: 18 January 2024

Time: 11h00 am

4.2 The bid information session is not compulsory but will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.

4.3 The National Treasury reserves the right to answer questions at the briefing session and/or to respond formally after the briefing session.

5. TERMS OF REFERENCE

5.1 TECHNICAL SPECIFICATIONS

5.1.1 The bid for the supply and delivery of speech therapy, assistive devices and accessories has eight hundred and seventy-seven (872) items. The detailed technical specifications are as per the attached Annexure A. The items are categorised as follows:

Table 1: Summary of Technical Specifications Categories

#	Main Category Description	Sub-Category Description		# Items
1	Alternative Augmentative Communication	1	Low-Tech Communication and Literacy	15
		2	Communication and Assistive Devices	30
		3	Assistive Accessories	70
		4	ICT based Devices and Solutions	98
		5	Assistive Software	49
		6	Low Vision Items	41
2	Dysphagia	7	Feeding and Oral Motor	145
3	Voice prostheses and accessories (laryngectomy and tracheostomy)	8	Laryngectomy	205
		9	Tracheostomy	52
4	Speech, Language and Communication	10	Assessment Tools	38
		11	Therapy Resources	133
		12	Assistive Services	33
TOTAL				909

SECTION B: CONDITIONS OF BID



6. PART 1: EVALUATION CRITERIA

6.1 The details of the evaluation phases are outlined below:

Table 2: Evaluation Criteria

Phase 1	Phase 2	Phase 3	Phase 4
Administrative Evaluation	Mandatory requirements	Technical Compliance	Price and Specific Goals
Compliance to the legislative and another bid requirements	Compliance with mandatory and other bid requirements	Compliance to the item technical specifications	Bids evaluated in terms of the 90/10 preference system

6.2 PHASE 1: ADMINISTRATION AND LEGISLATION REQUIREMENTS EVALUATION

6.2.1.1 During this phase bidders will be evaluated based on the legislative and other bid requirements (administrative). These are the documents to be submitted for administrative evaluation:

6.2.1.2 SBD 1 – Invitation form to bid.

6.2.1.3 Proof of Authority – This is a company resolution for the capacity under which this bid is signed as per SBD 1

6.2.1.4 SBD 4 – Bidders Disclosure

6.2.1.5 SBD 5 – The National Industrial Participation Programme

6.2.1.6 SBD 6.1 – Preference points claim form.

6.2.1.7 Central Supplier Database- A full Central Supplier Database report.

6.2.1.8 Written Confirmation to disclose tax status- It is a requirement that bidders grant a written confirmation when submitting this bid response that SARS may on an on-going basis during the tenure of the transversal contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.

6.3 PHASE 2: MANDATORY REQUIREMENTS

6.3.1 During this phase bidders' responses will be evaluated based on the mandatory requirements for compliance. This is the document to be submitted for evaluation. Bidders must submit all required documents indicated with the bid document at the closing date and time of the bid. Bidders who fail to comply with all the mandatory criteria will be disqualified. The following Mandatory documents should be submitted:



6.3.2 **Annexure B- Pricing Schedule**

- 6.3.2.1 The pricing schedule (see **Annexure B**) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. All pricing offered must be on a national level.
- 6.3.2.2 Bidders are required to complete and submit a mandatory Pricing Schedule Annexure B as a response to how much the items offered will be charged. Non-submission of the Pricing Schedule will invalidate the bid response.
- 6.3.2.3 Prices submitted in this bid must be filled in on the field provided on the pricing schedule provided with the bid. Price structures that do not comply with this requirement may invalidate the bid.

6.4 **PHASE 3 TECHNICAL COMPLIANCE**

- 6.4.1 During this phase bidders' response will be evaluated based on technical requirements of each item offered as per the Annexure A- Pricing Schedule submitted by the bidder. Non-compliance with all the evaluation requirements below will result in disqualification of line-item being evaluated.

6.4.2 **Standards/Specifications**

- 6.4.3 Items must comply with Annexure A - Technical Specifications as stated in the bid document of each item. The technical specification as per the pricing schedule is a summary description and the attached Annexure A is the detailed technical Specification of all the items. Non-compliance to the technical specification requirement will invalidate the items to which the compliance is not adhered.
- 6.4.4 Where specific specifications and/ or standards are applicable for each item, the quality of products shall not be less than the requirements of the latest edition of such specifications and/or standards throughout the contract period.
- 6.4.5 The State may consider products that have a reasonable deviation to the technical specification. This is subject to the deviation that the functional output of the item technical specification is achieved. The deviation must not cause any clinical and functional harm to the target population and users of the product. This will therefore be decided upon based on the clinical judgement and expertise of the Bid Evaluation Committee.

6.4.6 **Warranty / Guarantee Periods and Repair of Equipment**

- 6.4.7 A minimum warranty/guarantee of 24 months is required on all electronic devices from the date of delivery.
- 6.4.8 Sufficient spare parts for electronic equipment must be available for a minimum period of 5 years from when the equipment has been procured.

**6.4.9 Type Approval Certificate issued by ICASA.**

6.4.9.1 Where applicable as indicated on the technical specification Annexure A, bidders are required to submit a Type Approval Certificate to adhere to section 35 (1) of the Electronic Communications Act. Items that require a Type Approval Certificate are indicated on the technical specification.

6.4.9.2 Failure to submit the type of approval certificate will invalidate the bid response for the relevant items.

6.4.9.3 Bidders may contact ICASA for information on obtaining the Type Approval Certificate at Tel: 012 568 3000/1, Email: FCebisa@icasa.org.za and Website: www.icasa.org.za

6.4.10 Certification of Information Technology Devices by State Information Technology Agency (SITA)

6.4.10.1 Where in the technical specification requirements (Annexure A), an item is required to be MIOS/SITA certified, bidders must submit a certificate issued by SITA. Bidders has until 23 February 2023 to submit the certificate issued by SITA to National Treasury Demand.Aquisition2@treasury.gov.za and Brenda.Mashifane@treasury.gov.za. Items which the SITA certificate is not submitted for the relevant item will be disqualified.

6.4.10.2 Bidders can refer to www.sita.co.za/prodcert.htm for details on the equipment certification process, as well as the required documents. SITA Contact Details are as follows:

Contact person: Deon Nel

Telephone number: (012) 482 2749

Email: deon.nel@sita.co.za

6.4.11 Quality Assurance Requirements

6.4.11.1 Bidders must submit at the closing date and time of bid, valid Quality Assurance Certificates (QAC) ISO 9001 to confirm compliance for all items. The holder of the certificates must be the original manufacturer of the product offered. Failure to submit the QAC will invalidate the items which the certificate is not submitted.

6.4.12 International Standard Book Number (ISBN)

6.4.12.1 Only items which have a valid International Standard Book Number (ISBN) on category 11 will be considered.

6.4.13 Authorization Declaration

6.4.13.1 All bidders must complete the "Authorisation Declaration" (TCD 13 and TCD 13.1) for all relevant goods or services in full, sign it and submit it together with the bid response at the closing date and time of the bid invitation.

6.4.13.2 Any bidder who is not an Original Product/Equipment's Manufacturer (OPM)/(OEM) must submit a valid Third-Party Undertaking letter (template provided as TCBD 13.2) in full for all relevant goods



offered. The letter of undertaking from Letter of undertaking must be from an OEM or an authorized importer/distributor. In case where the letter is from an authorized importer/distributor, the bidder must submit in addition to the letter of undertaking, written proof from the OEM authorizing the importer or distributor at the closing date and time of bid.

6.4.13.3 The letter of undertaking must include but not be limited to the following:

- a) Item(s) number, item short description and brand/model name.
- b) The letter must be on the original manufacturer's letterhead, dated and signed.
- c) Letter must be not older than 30 days at the closing date and time of bid.
- d) The letter must have the contact's details in terms of a name, physical and postal address, telephone, and email details and the capacity with which a person is signing the letter.
- e) All the information on the letter must be in English.

6.4.13.4 The State reserves the right to verify any information supplied by the bidder in the Authorisation Declaration and should the information be found to be false or incorrect, the relevant items will be disqualified, and the State will exercise any of the legal remedies available.

6.4.13.5 The bidder must ensure that all financial and supply arrangements for goods or services have been mutually agreed upon between the bidder and the third party (manufacturer or authorized importer/distributor). No agreement between the bidder and the third (3rd) party will be binding on the State.

6.4.13.6 Failure to submit a duly completed and signed Authorisation Declaration, with the required annexure(s), by the above provisions may invalidate the bid for such goods or services offered.

6.4.14 **Samples Submitted for Visual Screening**

6.4.14.1 All items must comply with the technical specification (Annexure A) as provided in this bid as stated in the technical specification detail of each item. Failure to comply will invalidate the items concerned.

6.4.14.2 Bidders that have complied with the Phase 2 evaluation above will be required to submit samples for visual screening to confirm compliance with technical specifications. Failure to submit the samples as required will invalidate the bid for the items for which samples are not submitted.

6.4.14.3 A guidance in terms of product presentation for the ICT Apps will be provided to the shortlisted bidders.

6.4.14.4 **Sample Submission** – Short listed bidders will be requested to submit samples as follows:

Date: 29 February – 1 March 2024

Venue: National Treasury, 240 Madiba Street, Pretoria, First Floor, Room 103

- a) **#NB:** Short listed bidders will be sent the actual date and time slots appointments which will be during the dates indicated above.



- b) It is the responsibility of the bidder to ensure that correct contact details are provided in the bid document and that samples are submitted on time, at the correct venue as indicated above.
 - c) Where different sizes of the same item are called for against different item numbers, samples of each size must be submitted. All samples submitted for visual screening must be a true representation of the product which will be supplied by the supplier throughout the contract period.
 - d) All samples, including the labelling requirements, must be a true representation of the product that will be supplied during the contract period. All electronic items must comply to the relevant commodity labelling Act.
- 6.4.14.5 **Manufacturers Technical Specification-Brochures and manual** - Bidders must submit with the samples, a manufacturer's technical specification (brochure) for all devices/equipment offered, preferably in colour, with fully comprehensive product technical specification information. The brochure must indicate the product name and description, make/model, device images and all information required to verify compliance with technical specification requirements. Bidders are also required to include the product **brochures in a USB/Flash drive when submitting samples saved by item numbers.**
- 6.4.14.6 **Marking of Samples** - Samples must be marked with company name, contact details, bid number, item number as per the Technical Specification, Unmarked samples will be disregarded and will not be evaluated.
- 6.4.14.7 **Collection of all samples** – Bidders will be informed of the date and time for which samples must be collected. This date may be immediately after the evaluation has been finalized. Samples not collected within the communicated periods and time frames will be disposed of at the discretion of the State and the National Treasury bears no risk for uncollected samples.
- 6.5 **PHASE 4: PRICE AND SPECIFIC GOALS**
- 6.5.1 **Pricing Schedule and structure requirements**
- 6.5.1.1 Prices quoted must be furnished based on “delivered to State facility” country-wide inclusive of VAT.
- 6.5.1.2 The pricing schedule provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof. Bidders are required to complete a mandatory Pricing Schedule as a response to how much the items offered will be charged.
- 6.5.1.3 Due diligence on market-related pricing reasonability may be conducted. The State reserve the right to disqualify bid offers which are under-quoted and or are above market value. In this case, the bidder may be required to submit supporting documentation to the State to prove that the pricing is not under-quoted or above market value.
- 6.5.1.4 Conditional discounts offered will not be taken into consideration during evaluation.
- 6.5.1.5 Prices submitted in this bid must be filled in on the field provided on the pricing schedule supplied with



the bid. Price structures that do not comply with this requirement may invalidate the bid.

- 6.5.1.6 The Pricing Schedule (**Annexure B**) must be submitted in two forms, as hardcopy which must be included in the bid document and in an Excel, spreadsheet saved in a USB/memory stick at the closing date and time of bid. Both the hard copy and the Excel version must be the same (replica).
- 6.5.1.7 Submit pricing for all optional accessories and consumables that are compatible to the products offered, indicating which product they relate to (**Annexure B**),

6.5.2 Preferential Point System

- 6.5.2.1 The pricing evaluation will be in terms of the Preferential Procurement Regulations as per the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10 preference point system based on:

- a) The bid price (Maximum of 90 points)
- b) Historically disadvantaged individuals as locally produced products goals (maximum 10 points)

- 6.5.2.2 The following formula will be used to calculate the points for price:

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where,

P_s = Points scored for the comparative price a of bid under consideration

P_t = Comparative price of a bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

- 6.5.2.3 **The following will be used to calculate the points for Historically disadvantaged individuals as well as specific goals.**

- a) A maximum of 10 points may be awarded to a bidder for being a historically disadvantaged individual and/or subcontracting with a historically disadvantaged individual and/or achieving any of the specified goals for this bid, the maximum number of points that could be allocated to a bidder is indicated in the paragraph above. The State reserves the right to arrange contracts with more than one contractor stipulated in regulation 2022 of the Preferential Procurement Regulations.
- b) The government intends to promote the following goals with this bid, and the points to be allocated are indicated against each goal:



GOALS	POINTS
Preference points for equity ownership by historically disadvantaged Individuals who, due to the apartheid policy that had been in place had no franchise in national elections before the introduction of the Constitution of the RSA, 1983 (Act 110 of 1983) or the Constitution of the RSA, 1993 (Act 200 of 1993), ("the Interim Constitution") and or	5
Other specific goals (goals of the RDP- plus local manufacture)	5
- Local Manufacturing (locally produced product)	

- c) The points scored by a bidder in respect of the goals indicated above will be added to the points scored for price.
- d) Bidders are required to complete the SBD 6.1 and 6.1(a) forms in order to claim preference points. Only a bidder who has completed and signed the declaration part of the SBD 6.1 and 6.1(a) preference points claim forms will be considered for preference points.
- e) The bidders must submit Central Supplier Database (CSD) and CIPC registration documents. These documents will serve as proof of ownership and directorship of the company.
- f) Failure on the part of a bidder to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender will not be allocated with the points claimed.
- g) The State may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made about preference.
- h) Points scored will be rounded off to the nearest 2 decimals.
- i) If two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- j) A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.
- k) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.

6.5.2.4 The following formula must be applied to calculate the number of points out of 10/20 for specific goals:

$$PSSG = MPA \times \frac{POE}{100}$$

Where:



- PSSG= Points scored for a specific goal
- MPA = Maximum points allocated for a specific goal
- PEO = Percentage of equity ownership by an HDI

6.5.2.5 Specific goals with Proof of equity ownership requirements and related matters

- a) The specific goals contemplated in the paragraph above and are related to equity ownership must be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender.
- b) If the percentage of ownership contemplated in the paragraph above changes after the closing date of the tender, the tenderer must notify the Office and such tenderer will not be eligible for any preference points.
- c) Equity in private companies must be based on the percentage of equity ownership.
- d) Preference points may not be awarded to public companies and tertiary institutions.
- e) Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.
- f) Documentation to substantiate the validity of the credentials of the trustees contemplated in the paragraph above must be submitted to the Office.
- g) A consortium or Joint Venture may claim points for specific goals, based on the percentage of the contract value managed or executed by individuals who are actively involved in the management or exercise control of the respective parties of the consortium or Joint Venture.
- h) A tenderer must submit proof of its ownership. A tenderer who does not submit proof of ownership may not be disqualified from the bidding process, but they score points out of ninety (90) for price and zero (0) points out of ten (10) for specific goals.

6.5.2.6 **Objective of the bid to award to Local Produced Products**

- a) In terms of section 2(1) (f) of the PPPFA Act, the state may award a contract to a tenderer that did not score the highest points.
- b) With the above provision, a tender may be awarded to a bidder offering goods with more local content and/or local value added than the tenderer scoring the highest points.
- c) Bidders are therefore required to submit SBD 6.2 and its annexures for this purpose for items applicable to this clause. Items that are claimed to be manufactured locally and the SBD 6.2 and



its annexures are not submitted will not be considered as locally being manufactured. An exemption letter from the DTIC for the material that is being imported is therefore not required for items falling in this clause.

- d) To qualify for the points of local manufacturing, the definition of a locally produced product will be limited to at least the conversion process (substantiated value add) being in the Republic of South Africa. Substantial supporting documents may be required at any point in time before and post-award of the contract. Due diligence, which includes site visits, may be conducted in this regard. The following aspects must be complied with:
- i) The site/s of manufacturing and/or assembling of the product offered is in South Africa.
 - ii) Demonstrated capacity to service the required volumes is confirmed.
 - iii) Compliance to all other aspects contained in these Special Requirements and Conditions of Contract
 - iv) The product offered meets the minimum requirement as per technical specification requirements.

6.5.3 Items Grouped as a Series

6.5.3.1 Where applicable, items that are grouped in a series as per item technical specifications will be evaluated and awarded accordingly. Allocation of points will be as per the total value of the series group.

6.5.3.2 Bidders are required to offer prices for all units of measure specified in the series, and for all items within a group series.

6.5.4 Applicable Taxes

- a) All bid prices must be inclusive of all applicable taxes.
- b) All bid prices must be inclusive of fifteen percent (15%) Value Added Tax.
- c) Failure to comply with this condition may invalidate the bid.

6.5.5 Cost Breakdown

6.5.5.1 Bidders are requested to submit the cost breakdown of their pricing for each item offered on the response fields allocated on the pricing schedule for each item offered. The cost breakdown submitted will be utilized during the price adjustment considerations.

6.5.5.2 Bidders should itemise the cost of each item into various components which are cost-drivers. The cost needs to be broken down into direct and indirect costs. Each cost driver should be assigned a percentage of the total cost.



6.5.5.3 Example:

Table 3: Example of Cost Breakdown

Cost-driver	% Total Cost
Imported raw material	30%
Local raw material	20%
Labour	15%
Transport	30%
Other (Indicate)	5%
The total % of the item	100%

6.5.6 **TCD 14 Historical Exchange Rates**

6.5.6.1 In terms of cost price adjustment, bidders should make use of any relevant currency for the items offered by calculating the average for the period 1 June 2023 to 30 November 2023 using the Reserve Bank published rates for the specific currency. Bidders are to visit <https://www.resbank.co.za/> to obtain the relevant rates. Reference to **TCD 14** on the procedure to download historical exchange rates from the Reserve Bank website for instructions.

6.5.7 **Responsive Bids**

6.5.7.1 Bidders are required to submit responsive bids by completing all pricing and item information on the provided pricing schedule (Annexure B) for the individual items and all required forms. Non-submission of the pricing schedule (Annexure B) will invalidate the bid response.

7. PART 2: ADDITIONAL BID REQUIREMENTS**7.1 COMPANY REGISTRATION AND ORGANOGRAM**

7.1.1 Shareholding portfolio by proof of registration of the company with Companies Intellectual Property Commission. An additional document detailing the shareholding of the bidder in an organogram format in support of the proof of company registration must be submitted.

7.1.2 If by law registration with CIPC is not required, proof of ownership/shareholding must be provided.

7.2 COMPANY PROFILE

7.2.1 Bidders are requested to submit a company profile which includes, but is not limited, to the following:

7.2.1.1 Business structure/ organogram and strategies; and

7.2.1.2 Years of company existence and experience relevant to this bid.



7.3 TERMS AND CONDITIONS OF BID

7.3.1 Counter Conditions

- 7.3.1.1 Bidders' attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by bidders may result in the invalidation of such bids.
- 7.3.1.2 The National Treasury reserves the right to change or supplement any information or to issue any addendum to this bid before the closing date and time. The National Treasury and its officers, employees and advisors will not be liable in connection with either the exercise of or failure to exercise this right.
- 7.3.1.3 If the National Treasury exercises its right to change or supplement information in terms of the above clause, it may seek amended bid documents from all bidders.

7.3.2 Fronting

- 7.3.2.1 The National Treasury supports the spirit of broad-based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves by the Constitution and in an honest, fair, equitable, transparent, and legally compliant manner. Against this background, the National Treasury does not support any form of fronting.
- 7.3.2.2 The National Treasury, in ensuring that bidders lawfully conduct themselves will, as part of the bid evaluation processes, conduct, or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in this bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry and Competition, be established during such enquiry/investigation, the onus will be on the bidder to prove that fronting does not exist.
- 7.3.2.3 Failure to do so by the bidder within fourteen (14) days from the date of notification by the National Treasury may invalidate the bid/contract and may also result in the restriction of the bidder from conducting business with the public sector for a period not exceeding ten (10) years, in addition to any other remedies the National Treasury may have against the bidder concerned.

7.4 SUBMISSION OF BIDS

7.4.1 PHYSICAL AND HARDCOPY BID SUBMISSION

- 7.4.1.1 Bidders are required to submit hard copies at the National Treasury, 240 Madiba Street, TIC, and Deposit the bid in the tender box.
- 7.4.1.2 The hard copy of the bid response will serve as the legal bid document.
- 7.4.1.3 Bidders' attention is drawn to the sequential submission format as per the checklist in Table 1.
- 7.4.1.4 Bidders must submit the bid at TIC situated at 240 Madiba Streets, Pretoria in the following format:



- a. One (1) original hard copy
 - b. One (1) memory stick or USB with all the documents on the original hard copy and an Excel version of the pricing schedule. Bidders must ensure that the USB is marked with the bidder's name.
- 7.4.1.5 All documents on the USB submitted must be an exact copy of the hard copy documents. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.
- 7.4.1.6 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be visible.
- 7.4.1.7 Submit all bid queries via email to Demand.Acquisition2@treasury.gov.za and Brenda.Mashifane@treasury.gov.za
- 7.5 **LATE BIDS**
- 7.5.1 Bids received after the closing date and time at the TIC will NOT be accepted for consideration and where practical, be returned unopened to the bidder.
- 7.6 **COMMUNICATION AND CONFIDENTIALITY**
- 7.6.1 The Chief Directorate: Transversal Contracting (TC) within the Office of the Chief Procurement Officer (OCPO) may communicate with bidders where clarity is sought after the closing date and time of the bid and before the award of the transversal contract, or extend the validity period of the bid, if necessary.
- 7.6.2 Any communication to any State official or a person acting in an advisory capacity for the State in respect of this bid between the closing date and the award of the bid by the bidder is discouraged.
- 7.6.3 Whilst all due care has been taken in connection with the preparation of this bid, the National Treasury makes no representations or warranties that the content in this bid or any information communicated to or provided to bidders during the bidding process is, or will be, accurate, current, or complete. The National Treasury, and its officers, employees and advisors will not be liable concerning any information communicated which is not accurate, current, or complete.
- 7.6.4 If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury (other than minor clerical matters), the bidder must promptly notify the National Treasury in writing of such discrepancy, ambiguity, error or inconsistency to allow the National Treasury to consider what corrective action is necessary (if any).
- 7.6.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the National Treasury will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.



- 7.6.6 All communication between the bidder and the National Treasury TC office must be done in writing as per the Contact Details below.
- 7.6.7 No representations made by or on behalf of the National Treasury about this bid will be binding on the National Treasury unless that representation is expressly incorporated into the contract ultimately entered between the National Treasury and the successful bidder(s).
- 7.6.8 All persons (including all bidders) obtaining or receiving this bid and any other information in connection with this bid, or the tendering process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for developing a response to this bid.
- 7.7 **CONTACT DETAILS**
- 7.7.1 **General:** - National Treasury, Office of the Chief Procurement Officer, Chief Directorate: Transversal Contracting, Private Bag x115, Pretoria, 0001. Physical address: 240 Madiba Street, Pretoria
- 7.7.2 **Bid Enquiries:** - All enquiries should be in writing to Demand.Acquisition2@treasury.gov.za and Brenda.Mashifane@treasury.gov.za. The closing date for receipt of all enquiries is **31 January 2024**. All enquiries beyond the closing date will not be considered.

PART 3: RECOMMENDATION AND APPOINTMENT OF BIDDERS

- 7.8 Once the evaluation process is complete there will be a recommendation report by the BEC to the Bid Adjudication Committee (BAC) which has the authority to either support (approve) or not support (not approve) the recommendation/s and appointment/s.
- 7.9 On approval of the recommendation/s and appointment/s, the successful bidder(s) will sign an appointment letter together with the master transversal agreement for the supply and delivery of hearing aids, implantable hearing devices, and equipment of this bid and the unsuccessful bidder(s) will be informed accordingly. The following paragraphs will be applicable when making a recommendation:
- 7.10 **Tax Compliance Requirements**
- 7.10.1 It is a condition of this bid that the tax matters of the successful bidder(s) are in order, or that satisfactory arrangements have been made with the South African Revenue Service (SARS) to meet the bidder's tax obligations.
- 7.10.2 The Tax Compliance status requirements are also applicable to potential foreign bidders/individuals who wish to submit a bid.
- 7.10.3 Bidders are required to be registered on the Central Supplier Database (CSD) and the National Treasury shall verify the bidder's tax compliance status through the CSD or SARS.
- 7.10.4 Where Consortia / Joint Ventures / Sub-Contractors are involved, each party must be registered on the



CSD, and their tax compliance status will be verified through the CSD or SARS.

7.11 Multiple Award

- 7.3.1 The State reserves the right to award the same item to more than one (1) bidder to address item availability and compatibility. Benchmarking will be applied to ensure that pricing is affordable, market-related and aligned to end-user requirements. The maximum number of bidders per item to be awarded will be at the discretion of BEC.

7.12 Negotiations

- 7.12.1 The State reserves the right to negotiate with the shortlisted bidders before or after the award. The terms and conditions for negotiations will be communicated to the shortlisted bidders before the invitation to negotiations. This phase is meant to ensure value for money is achieved through the measure of quality that will assess the monetary cost of the items or services against the quality and or benefits of that item or services.

7.13 Due Diligence

- 7.13.1 The State reserves the right to conduct due diligence before the final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence process, the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof.
- 7.13.2 The State also reserves the right to conduct any evaluation verifications before the final award or at any time during the transversal term contract period.
- 7.13.3 Where applicable, the BEC reserves the right to subject item samples to applicable clinical evaluations, applications, or tests at any State facility to verify compliance with the technical specifications. This will be arranged with the bidder.

7.14 Right of Award

- 7.14.1 The State reserves its following rights -
- 7.14.1.1 To award the bid in part or in full,
 - 7.14.1.2 Not to make any award in this bid or accept any bids submitted,
 - 7.14.1.3 Request further technical information from any bidder after the closing date,
 - 7.14.1.4 Verify information and documentation of the bidder(s),
 - 7.14.1.5 Not to accept any of the bids submitted,
 - 7.14.1.6 To withdraw or amend any of the bid conditions by notice in writing to all bidders before closing of the bid and post-award, and
 - 7.14.1.7 If an incorrect award has been made, the state reserve the right to remedy the matter in any lawful manner it may deem fit.



SECTION C: CONDITIONS OF CONTRACT

8. CONCLUSION OF CONTRACT

- 8.1 The Contract between National Treasury and the preferred bidder/s (Service Provider) collectively referred to as the Parties shall come into effect after the service provider has been issued with an unconditional letter of acceptance to their bid.
- 8.2 The Service Provider (s) shall be appointed in terms of this bid. The following will form part of the contract documents between the Parties as far as this RT275-2024 is concerned:
- 8.2.1 Bid Documents
 - 8.2.2 Letter of Appointment
 - 8.2.3 Award Documents
 - 8.2.4 Acknowledgement letter
- 8.3 If there is any contradiction between the abovementioned documents, the special conditions of the contract shall take precedence. For Section B, the term “service provider “shall refer to the preferred bidder appointed in terms of the RT275-2024 transversal contract.

9. PARTICIPATING STATE INSTITUTIONS

- 9.1 The following institution will be participating in the contract for RT275-2024:
- 9.1.1 **National Departments:** Department of Defence
 - 9.1.2 **Provincial Departments of Health:** Gauteng, Eastern Cape, Western Cape, Kwa-Zulu Natal, Limpopo and Western Cape.
 - 9.1.3 **Department of Education:** Gauteng and Northern Cape

10. POST-AWARD PARTICIPATION

- 10.1 PFMA public institutions listed in Schedules 1, 2, 3A, 3B, 3C, 3D and Local Government may send an application to the National Treasury post-award to request participation in the transversal contract.
- 10.2 In terms of Treasury Regulation 16A6.5 Accounting Officer/Accounting Authority of National and Provincial departments, constitutional institutions, and public entities listed in schedules 1, 3A, and 3C to the PFMA may opt to participate in a transversal contract facilitated by the relevant treasury.
- 10.3 Regulation 32 of the Municipal SCM Regulations provides that a Supply Chain Management policy may allow the accounting officer to procure goods or services for a municipality or municipal entity under a contract secured by another organ of the state.



11. CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

11.1 Contract Administration

11.1.1 The administration and facilitation of the transversal contract is the responsibility of the National Treasury and all correspondence in this regard must be directed to the Transversal Contracting Department via email on Demand.Acquisition2@treasury.gov.za and Brenda.Mashifane@treasury.gov.za.

11.1.2 Suppliers must advise the Chief Directorate: Transversal Contracting, National Treasury immediately when unforeseeable circumstances will adversely affect the execution of the transversal contract. Full particulars of such circumstances as well as the period of delay must be furnished.

11.2 Supplier Performance Management

11.2.1 Supplier performance management will be the responsibility of the purchasing institution and where supplier performance disputes cannot be resolved between the supplier and the relevant purchasing institution, National Treasury: Transversal Contracting must be contacted for corrective actions.

11.2.2 Supplier performance rating Form (to be provided for by the National Treasury after the bid award) will be instituted, and every supplier must complete it to ensure good performance.

11.2.3 End-user State institutions are required to report to the National Treasury on where supplier's performance is not satisfactory.

11.2.4 Successful suppliers will have their performance scored. National Treasury will provide a template that will be used to measure overall performance in terms of the transversal contract. Suppliers who score an unacceptable performance rating may not be awarded future contracts of the same bid and may have the transversal contract terminated before the end of the transversal contract period.

12. CONTRACT PRICE ADJUSTMENT

12.1 Formula

12.1.1 Prices submitted for this bid will be regarded as non-firm and may be subject to adjustment(s) in terms of the following formula, defined areas of cost and defined periods.

12.1.2 Applications for price adjustments must be accompanied by documentary evidence in support of any adjustment claim.

12.1.3 The following price adjustment formula will be applicable for calculating contract price adjustments (CPA).

**Table 4: Contract Price Adjustment Formula**

$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + \dots + Dn \frac{Rnt}{Rno} \right) + VPt$		
Pa	=	The new adjusted price to be calculated
V	=	Fixed portion of the bid price (15% or 0.15)
Pt	=	Original bid price. Note that Pt must always be the original bid price and not an adjusted price
(1-V)Pt	=	Adjustable portion of the bid price (85% or 0.85)
D1 – Dn	=	Each factor (or percentage) of the bid price, e.g., material, labour, transport, overheads, etc. The total of the various factors (or percentages) D1 – Dn must add up to 1 (or 100%)
R1t – Rnt	=	End Index. Index figure obtained from the index at the end of each adjustment period.
R1o–Rno	=	Base Index. Index figure at the time of bidding.
VPt	=	15% (or 0.15) of the original bid price. This portion of the bid price remains fixed, i.e. it is not subject to price adjustment

12.2 Formula component definitions

12.2.1 Adjustable amount

12.2.1.1 The adjustable amount is the portion of the bid price which is subject to adjustment. In this bid, the adjustable amount is 85% of the original bid price. For example, if the bid price is R1000, then only R850 will be subject to adjustment.

12.2.2 Fixed portion

12.2.2.1 The fixed portion represents those costs that will not change over the adjustment period and do NOT represent the profit margin. In this bid, the fixed portion is 15% of the original bid price. Using the same example as above, it would amount to R150 which will remain fixed over the contract periods.

12.2.3 Cost components and proportions

12.2.3.1 The cost components of the contract price usually constitute the cost of materials (raw material or finished product), cost of direct labour, cost of transport and those other costs that are inclined to change. The proportions are the contribution to the contract price of each of these cost components. In this bid, the following cost components will be used to calculate contract price adjustments.

12.2.3.2 Bidders are requested to submit the cost breakdown of the bid price for each item with their bid. Should the cost breakdown be the same for all items on the bid, please indicate it clearly in the bid document.



Bidders will not be allowed to change the cost breakdown of bid prices during the tenure of the contract.

- 12.2.3.3 Successful bidders who are direct importers of raw material / finished products can apply for RoE adjustment under cost element D1. If the successful bidder is not a direct importer of raw material / finished product, cost component D1 would not be applicable and only local cost components (D2 - Dn) would be applicable.

Table 5 - Contract Price Adjustment Cost Components

Cost Component	% Contribution
D1 – Imported Raw Material / Finished product	
D2 - Local Raw Material / Finished product (if applicable)	
D3 – Labour	
D4 – Transport	
D5 – Overheads	
D6 – Other	
TOTAL (Cost components must add up to 100%)	100

12.2.4 **Applicable indices/references**

- 12.2.4.1 The applicable index refers to the relevant market index, which is a true reflection of price movement(s) in the cost over time. In this bid, the following indices or references will be applicable:

Table 6: Applicable Indices/References

Cost component	Index Publication	Index Reference
D1 – Imported Finished product (if applicable);	Reserve bank ROE publication/ Supplier / Manufacturer invoice(s) and remittance advice. ²	Documentary evidence to accompany the claim and ROE
D2 - Local Finished product (if applicable):	Specify (STATS SA Index)	STATS SA Table (Specify)
D3 – Labour	STATS SA P0141 (CPI), Table E; OR Labour Agreement ³	Table E - All Items (CPI Headline) OR Labour agreement to be provided/

² In cases where invoices are supplied as documentary evidence, it is advised that invoices closest to the Base Index date and the End Index date be submitted. It should ideally reflect the adjustment period.

³ In the absence of a labour agreement, the labour cost component will be adjusted with CPI Headline inflation.



Cost component	Index Publication	Index Reference
		Regulated Pricing Adjustment
D4 – Transport	Stats SA P0141 (CPI) Table E	Transport – Other Running Cost
D5 – Overheads	Specify (STATS SA Index)	STATS SA Table (Specify)
D6 – Other	Specify (STATS SA Index)	STATS SA Table (Specify)

12.2.5 Base index date

12.2.5.1 The base index date applicable to the formula is defined as the date at which the price adjustment starts. In this bid, the base index date is **November 2023**.

12.2.6 End index date

12.2.6.1 The end index dates are the dates at predetermined points in time during the contract period. In this bid the end indices are defined in the next paragraph (Price Adjustment Periods).

12.2.7 Price adjustment periods

12.2.7.1 Price adjustment shall be applied on an annual basis at the anniversary of the transversal contract from the closing date of the bid.

Table 7: Price Adjustment Period

Adjustment Period	CPA application to reach the office by the following dates	End Index	Dates from which adjusted prices will become effective
1st Adjustment	23 February 2025	December 2025	1 April 2025
2nd Adjustment	22 February 2026	December 2026	1 April 2026

12.2.8 Rates of exchange (RoE) – Base and average rates

12.2.8.1 If material and/or finished products are imported the following will apply:

12.2.8.2 The formula described above will be used and the imported cost component of the bid price (D1) will be adjusted considering the base RoE rate referred paragraph in the below paragraph and the average RoE rate over the period under review indicated in the below paragraph.



- 12.2.8.3 If the RoE adjustment goes hand in hand with a material/product price increase, the material/product price (in foreign currency) will be converted to South African currency using the base rate for the earlier invoice and the average RoE rate for the period under review as indicated in the paragraph below for the later invoice.
- 12.2.8.4 The imported cost component (D1) will be adjusted together with all the other cost components indicated in the paragraph above and at the predetermined dates indicated in the paragraph above.
- 12.2.8.5 The Rate(s) of exchange to be used in this bid in the conversion of the bid price of the item (s) to South African currency is indicated in the table below.

Table 8: CPA Rate of Exchange

Currency Name	Rates of exchange: 1 June 2023 to 30 November 2023
US Dollar	18.71
Euro	20.22
Pound	23.44

- 12.2.8.6 Should the bidder make use of any other currency not mentioned above, the bidder is requested to calculate the average for the period **1 June 2023 to 30 November 2023** using the Reserve Bank published rates for the specific currency. Visit www.reservebank.co.za to obtain the relevant rates. Please refer to TCBD 14 (Procedure to download historical exchange rates from the Reserve Bank website) for instructions.
- 12.2.8.7 Contract price adjustments due to rate of exchange variations are based on average exchange rates as published by the Reserve Bank for the periods indicated hereunder:

Table 9: Rate of Exchange Average Periods

Adjustment	Average exchange rates for the period:
1 st Adjustment	1 August 2024 to 31 January 2025
2 nd Adjustment	1 August 2025 to 31 January 2026

12.2.9 General

- 12.2.9.1 Unless prior approval has been obtained from the National Treasury, Transversal Contracting, no adjustment in contract prices will be made.



- 12.2.9.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.
- 12.2.9.3 CPA application will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 12.2.9.4 If the supplier's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the supplier to resolve the differences.
- 12.2.9.5 Bidders are referred to in the paragraph regarding counter conditions.
- 12.2.9.6 An electronic price adjustment calculator will be available on request from Transversal Contracting.
- 12.2.9.7 The State reserves the right to negotiate a price adjustment or not to grant any price adjustment.

13. DELIVERY AND QUANTITIES

13.1 Delivery Basis

- 13.1.1 Lead times for delivery of all Hearing aids and Equipment on transversal contract shall not exceed eight (8) weeks. Delivery period exceeding the prescribed maximum of eight (8) weeks may be cancelled without notice.
- 13.1.2 Lead times for delivery of all accessories and consumables of items on transversal contract shall not exceed one (1) week.

13.2 Quantities

- 13.2.1 No quantities are reflected in this bid as orders will be placed based on an 'as and when required' and no guarantee is given or implied as to the actual quantity/quantities that will be procured during the transversal contract period.
- 13.2.2 Orders will be placed by participating institutions and they will also be responsible for the payment to Suppliers for the products delivered and/or services rendered.

14. DELIVERY ADHERENCE, ORDERS AND PAYMENTS

14.1 Orders

- 14.1.1 Suppliers should note that each purchasing State institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 14.1.2 Suppliers should note that the order(s) will be placed as and when required during the transversal contract period and delivery points will be specified by the relevant purchasing State institution(s).
- 14.1.3 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the Supplier deviate from the orders issued by the purchasing State institutions.



14.1.4 The State is under no obligation to accept any quantity(ies) which is more than the ordered quantity(ies).

14.2 Delivery Adherence

14.2.1 Delivery of items must be made as per the instructions appearing on the official purchase order forms issued by purchasing State institutions.

14.2.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been affected.

14.2.3 In respect of items awarded, Suppliers must adhere strictly to the delivery lead times quoted in their bids.

14.2.4 Deliveries not complying with the purchase order forms will be returned to the Supplier(s) at the Supplier's expense.

14.2.5 Where applicable, all Hearing aids, cochlear implants, bone conduction hearing devices, Active middle ear implants and Equipment are to be supplied with operating manuals/information brochures in the English language.

15. WARRANTY / GUARANTEE

15.1 A minimum warranty period for electronic devices must not be less than a period of twenty-four (24) months from the date of issue, unless where noted otherwise in the specifications.

15.2 During the warranty period, the quotation and transport/courier cost to repair the electronic device will be for the cost of the Supplier.

15.3 It is a requirement that the Supplier keeps record of the premises where the devices has been installed (where applicable) in order to keep such devices in good working order during the guarantee period.

16. PRODUCT TRAINING

16.1 The participating institutions must liaise with the Supplier regarding the arrangements of any training that might be required.

16.2 Product information documents (e.g., catalogues, operating manuals, instruction leaflets, etc.), in at least the English language, must always be included with the product on delivery.

16.3 It is the responsibility of the Supplier to provide the participating institutions with adequate information on all products.

17. ITEM ADHERENCE / SUBSTITUTION

17.1 In the event where a bidder offers a specific brand against a product and the product is subsequently awarded to the bidder, it is required of the successful bidder to continue to supply the brand awarded throughout the transversal contract period.



- 17.2 In the event that the brand is discontinued and or replaced with a new model, National Treasury, Transversal Contracting must be notified of such an occurrence and upon approval, an official amendment will be issued. The Supplier is required to submit supporting documents from the manufacturer substantiating the changes.
- 17.3 It must be noted that the new brand will be required to undergo the evaluation process prior to receiving approval of the brand change issued by National Treasury. The new brand must adhere to the technical specification for the product. The quality of the product must not be lower than the initial awarded product.
- 17.4 Furthermore, Suppliers are to take note that the price of the new brand should not be higher from the current transversal contract price of the original product.
- 17.5 Suppliers are not allowed to deliver a new brand other than the brand awarded to them prior to an approval of brand change from National Treasury.
- 17.6 For all information technology products, the certification process by SITA should always be adhered to even for a model replacement.

18. CONTINUITY OF SUPPLY

- 18.1 The supplier must maintain sufficient stock to meet demand throughout the contract and inform the National Treasury at first knowledge of any circumstances that may result in interrupted supply, including but not limited to:
- 18.1.1 Industrial action,
 - 18.1.2 Manufacturing Pipeline
 - 18.1.3 Any other supply challenges.
- 18.2 In terms of the General Conditions of Contract and Special Requirements and Conditions of Contract, the Department of Health reserves the right to purchase outside of the contract to meet its requirements if:
- 18.2.1 The contracted supplier fails to perform in terms of the contract.
 - 18.2.2 The item(s) are urgently required and not immediately available; □
 - 18.2.3 In the case of an emergency.

19. PACKAGING AND LABELLING

19.1 Packaging

- 19.1.1 All deliveries made against this contract, in all modes of transport, are to be packed in suitable containers.
- 19.1.2 Packaging must be suitable for further dispatch, storage and stacking according to Good Wholesaling



Practice and Good Distribution Practice.

- 19.1.3 Packaging must be suitable for transportation and should prevent exposure to conditions that could adversely affect the stability and integrity of the product.
- 19.1.4 The packing must be uniform for the duration of the contract period. All products must be packed in acceptable containers, specifically developed for the product.
- 19.1.5 Where a particular stacking and storage configuration is recommended by the supplier, this should be clearly illustrated on the outer packaging.
- 19.1.6 Where the contents of the shipper pack represent a standard supply quantity of an item, the following must be adhered to:
 - 19.1.6.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering
 - 19.1.6.2 The contents must be packed in neat, uniform rows and columns that will facilitate easy counting when opened.
- 19.1.7 Where the contents of a shipper pack represent a non-standard supply quantity, the following must be adhered to:
 - 19.1.7.1 Outer packaging flanges must be sealed with suitable tape that will display evidence of tampering.
 - 19.1.7.2 The shipper pack must contain only one product, mixing of multiple items in a single shipper is not allowed.
 - 19.1.7.3 The outer packaging must be marked as a "Part Box".
- 19.1.8 Suppliers must ensure that products delivered are received in good order at the point of delivery.

19.2 Labelling

- 19.2.1 All containers, packing and cartons must be clearly labelled. Bulk packs must be labelled in letters not less than font size 48.
- 19.2.2 The following information must be clearly and indelibly printed on all shelf and shipper packs, including any part boxes packaging in at least English language:

Table 10: Labelling details

#	Details
1.	Proprietary name (if applicable)
2.	Name of the product
3.	A Product code as relevant
4.	The trade name or trademark of the manufacturer
5.	Size of the product
6.	Quantity of the contents



#	Details
7.	Name of manufacturer
8.	Date of manufacture
9.	Name and address of importer/distributor (if not manufacturer)
10.	Expiry date (Where applicable)
11.	Batch/lot number. Products must have the same batch/lot number on the outer box as on the inner box.

19.3 Barcodes

19.3.1 It is mandatory that all products supplied must include a barcode (number plus symbology). All shipper, shelf and unit packs must be marked with the appropriate number and symbology. The European Article Numbering Code 13 (EAN 13) has been accepted as standard.

19.3.2 Suppliers are encouraged to include a 2D barcode or similar on their packaging that will include the brand name, batch number and expiry date.

20. ASSIGNMENTS AND CESSIONS OF CONTRACTS AND CHANGES IN CONTACT DETAILS

20.1 Where a contracted supplier plans to merge with or is going to be acquired by another entity, the contracted supplier must inform the National Treasury in writing 90 days before such event of relevant details.

20.2 Assignments of Contract

20.2.1 Assignment of contract refers to the transfer of rights and obligations in a contract from an assigned to an assignee. The effect of this is that the service provider appointed through a competitive bidding process transfers the contract in its entirety that is, the obligation (the responsibility of rendering the services) and the right (of receiving payment for service rendered) to a third party that did not participate in the bidding process or a bidder that participated in the bidding process but was not successful.

20.2.2 Assignment of contracts is therefore not allowed as it will be contrary to principles of section 217 of the Constitution particularly, fairness, transparency, and competitiveness.

20.3 Cession of Contracts

20.3.1 Cession refers to the transfer of only the rights a service provider has in terms of a contract from it to a third party. cession will be limited only to those cession agreements in favour of registered Financial Services Providers (FSP) and state institutions established for the express purpose of providing funding to businesses and entities (State Institutions).

20.3.1.1 The written request for cession must be by the service provider and not a third party, and the written request by the service provider must be accompanied by the cession agreement.



20.4 **Changes in the Service Provider Contact Details**

20.5 A contracted supplier must inform the National Treasury within 7 days of any changes of address, name, and or contact details.

21. **POST-AWARD PRODUCT COMPLIANCE PROCEDURES**

21.1 Suppliers must ensure that the product conforms to the technical specification and its relevant quality standards throughout the contract period. Where there is a justified concern regarding the quality of the product, the State reserves the right to request the supplier (at its own cost) to submit a product for testing to confirm compliance with the relevant item technical specification and requirements at the SANAS accredited institution.

21.2 The State reserves the right to conduct any sample or site inspection directly or through a third party appointed by the state.

22. **REGISTRATION ON DATABASES OF PARTICIPATING INSTITUTIONS**

22.1 Suppliers must ensure continuous compliance with all statutory requirements which may affect their complying status on the Central Supplier Database managed by the National Treasury.

22.2 All suppliers must ensure registration on all participating institutions within 30 days of accepting the award.

22.3 Suppliers must ensure that they register with all the participating institutions the items that they have been awarded in the contract. Suppliers must take note that the participating institutions have different systems that they use internally to capture awarded contract information including that of awarded suppliers.

22.4 Failure to meet this requirement will result in an inability to process orders and payments for goods.

23. **MONITORING**

23.1 Monitoring audits may be conducted periodically and randomly by the National Treasury, Provincial Health Departments, and the National Department of Health or by a service provider appointed by the State to determine continuous compliance with the product and terms of the contract. The Participating Institutions, will monitor the performance of contracted suppliers and maintain a report for compliance with the terms of this contract as follows:

23.1.1 Compliance with delivery lead times.

23.1.2 Percentage of orders supplied in full first time.

23.1.3 Compliance with reporting requirements according to reporting schedule.



- 23.1.4 Attendance of compulsory meeting: The National Treasury compulsory meetings with suppliers to review supplier performance. The schedules of the meetings will be sent to successful bidders.
- 23.2 The state may conduct a random audit(s) with or without prior appointment arrangements with the appointed Supplier(s).
- 23.3 The National Treasury will conduct meetings with the Participating Institutions and Suppliers to discuss transversal contracting issues.
- 23.4 The National Treasury may request Participating Institutions to impose penalties, where deemed necessary, as per Sections 21 and 22 of the General Conditions of Contract.
- 23.5 Any change in the status of supply performance during the contract period must be reported within seven (7) days of receipt of such information to the National Treasury.
- 23.6 Reporting and Supplier(s) meetings will be on a six-monthly basis and will be scheduled post-award.
- 23.7 All successful Suppliers are required to submit historical value and volume reports via e-mail every quarter to: Demand.Acquisition2@treasury.gov.za and Brenda.Mashifane@treasury.gov.za
- 23.8 Detailed reporting requirements from Suppliers will be provided to awarded Suppliers.

24. TERMINATION

- 24.1 The State shall be entitled to terminate this agreement if one or more of the following occur: –
- 24.1.1 The Supplier decides to transfer the contract or cede the contract.
- 24.1.2 The supplier does not honor contractual obligations including the submission of information.
- 24.1.3 The supplier is provisionally or finally liquidated, making it impossible for the supplier to perform its functions in terms of this transversal contract.
- 24.1.4 The supplier enters into settlement arrangements with their creditors.
- 24.1.5 The supplier commits an act of insolvency.
- 24.1.6 If the supplier is a member of an unincorporated joint venture or consortium and the membership of such joint venture or consortium changes.
- 24.1.7 There is a change in ownership of the supplier that has the effect that over 50% ownership of the Supplier belongs to the new owner without prior written approval of the State.
- 24.1.8 Overall poor performance rating during the contract period

END